

**WEST PALM BEACH FIREFIGHTERS PENSION FUND**  
**MINUTES OF MEETING HELD**  
**September 4, 2002**

David Allison called the meeting to order at 1:30 P.M. at FOF Hall, West Palm Beach, Florida. Those persons present were:

**TRUSTEES**

D. Allison  
D. Merrell  
T. Sheppard  
D. Miller

**OTHERS**

Bonni Jensen, Hanson, Perry & Jensen, Fund Counsel  
Scott Baur, Pension Resource Center

**MINUTES**

The Board reviewed the minutes of the meeting held August 7, 2002. The minutes were modified to reflect that the Statements of Income and Expense are received by the Trustees and filed, as opposed to being approved by a motion. A motion was made, seconded and carried 4-0 to approve minutes of the meetings held August 7, 2002 as amended.

**STATEMENT OF INCOME AND EXPENSE**

Scott Baur presented a Statement of Income and Expense for the month of July 2002. The Trustees received and filed the Statement of Income and Expense for the month of July 2002.

**DISBURSEMENTS**

Mr. Baur reviewed the disbursement list. There was a discussion concerning the Oppenheimer invoice requesting payment for the quarter ending September 30, 2001. A motion was made, seconded and approved 4-0 to pay all listed disbursements.

**ATTORNEY REPORT**

Bonni Jensen provided an overview of the situation involving Mrs. Hubbard. She noted that there is a potential of 12 other retirees in a similar situation. Brad Armstrong provided information and noted that the cost increases as the people age. The cost would be .18% of payroll to provide the requested change to the Ordinance. Mr. Armstrong suggested that the names of the people involved be specified and that the Board set forth the criteria for which they would receive a benefit. However, it was noted that the money to establish the benefit would have to come from somewhere. The Board can make a recommendation to the City to amend the Ordinance, but the City has already previously rejected the Board's recommendation for this benefit. Because the Ordinance does not provide for the benefit, the Board does not have the ability to act other than to deny the application. A motion was made, seconded and approved 4-0 to deny the application for the benefit Mrs. Hubbard has requested as the Board does not have the authority to

approve the benefit under the current Ordinance. A motion was made, seconded and approved 4-0 directing Bonni Jensen to send a letter to the City recommending the change in the Ordinance and copy the letter to the Union, City Attorney, and Commissioners.

Ms. Jensen advised that she has received the amendment to the Special Act concerning the investments of the DROP and the share accounts. It was noted that a vested Participant can make an election every October 1 to allocate the assets to the commingled investment option or alternative investment option, or select both options in some share amount. Ms. Jensen suggested language to the DROP to specify penalties for people who stay beyond the end of their DROP period and removing the language of "all future DROP deposits". It was suggested that the Board notify a DROP participant 60 days before the end of their DROP period. A motion was made, seconded and approved 4-0 to approve changes to the Special Act and to remove the language of "all future DROP deposits". A motion was made, seconded and approved 4-0 for the administrator to notify a DROP participant no later than 60 days prior to the end of the DROP period. The administrator will copy such notice to the Board, Bonni Jensen, the Chief, and the City Administrator.

The Board then discussed the Application to elect earnings. It was noted that the Application allows individuals to make an election and provides them with two choices. They will be given the opportunity to change their election in August of each year. The election they select will remain until a new election is made. It was felt that the interest rate on the fixed account should be clear that it is 8.25% less expenses. Ms. Jensen recommended adding in language that the participants should consult with their tax advisor to make sure that the participants know that the Board is not advising them on a choice. A motion was made, seconded and approved 4-0 to approve the Application as amended.

### **ADMINISTRATIVE REPORT**

Bonni Jensen reported on new procedures for the buyback calculation. The Pension Fund can enter into an agreement with a participant that intends to work for 26 years in order to accrue the maximum pension benefit available under the plan, as opposed to the 25 and out provision, so as to reduce the cost to purchase eligible prior service credit. Henceforth, the actuary will make two calculations for each participant requesting to purchase prior service credit. Bonni Jensen will work with the administrator to create a form to allow participants to complete the purchase of prior service credit.

Trustee Tom Sheppard indicated that the six participants that requested a calculation to purchase prior service credit should be allowed an additional free calculation under the circumstances. The Board agreed. The actuary had not produced a second calculation for the six participants that made application, although Bonnie Jensen indicated he was working on the new calculations.

Tom Sheppard indicated that he had not received the minutes two weeks prior to the meeting, although the Board had a policy that the administrator should provide minutes two weeks in advance. He expressed a preference that the administrator should mail minutes to his residence, rather than provide the minutes by Email.

The administrator reported that dates had been set for educational workshops for all of the plan participants on duty on the days of September 25, 26, and 27 to make the election for the investment of funds in the Share and DROP Accounts. He provided the Trustees with a copy of the proposed presentation to the participants.

### **OTHER BUSINESS**

The Board decided to invite an investment manager to the next Board meeting as they will most likely be in town for the FPPTA Trustees School in Palm Beach Gardens. The Board decided to invite Oppenheimer to the next meeting if available.

There being no further business and the next meeting being scheduled for Wednesday, October 2, 2002 at 1:30 P.M. at the Union Hall. The meeting was adjourned at 3:00 P.M.

Respectfully submitted,

Tom Sheppard, Secretary